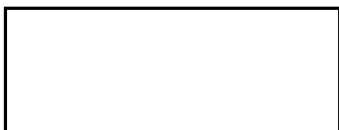


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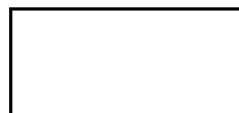
21 Jan 1970

Effective 21 Jan 70,



is appointed Deputy

Director of Finance.



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Glossary of Finance Terms

Accounting - "The art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character, and interpreting the results thereof." (American Institute of C. P. A.'s)

Administrative Plan - A written document supplementing a project outline. It supersedes normal Agency regulations and sets forth the manner in which the project will be controlled, e.g., what detail will be required in project accountings. Every proprietary, large subsidy (subsidies totaling \$100,000 or more in any one fiscal year) and operational investment project requires an Administrative Plan.

Allotment - An authorization from the head of an agency, or his designee, to a subordinate to obligate and expend funds from the agency's apportioned resources.

Allottee - An allottee is an individual to whom an allotment is made. He is responsible for ensuring that funds are not obligated in excess of the funds allotted and that funds are obligated only for purposes stated in the allotment.

Apportionment - An authorization by the Bureau of the Budget to the head of an agency to incur obligations and spend money out of appropriations and other funds made available to the agency. It may be less than the appropriation or other source of funds.'

Appropriation - An authorization by Congress to incur obligations and spend money out of the Treasury. Generally the authorization covers a single fiscal year only and specifies the purposes for which the funds may be used.

Approving Officer - An individual designated in writing to approve financial transactions within his operational direction or administrative supervision. The approval attests that the expenditure is:

1. In conformity with government or Agency regulations.
2. Reasonable in amount.
3. In furtherance of the Agency's mission.
4. Of a confidential, extraordinary or emergency nature when confidential funds are used.
5. For a necessary official purpose.

Revised 2 February 1970

C-O-N-F-I-D-E-N-T-I-A-L

Glossary of Finance Terms - Cont'd

Auditor - An individual responsible for:

1. Examination of accounting systems intended to serve as a basis for an expression of opinion regarding their fairness, consistency and conformity with accepted accounting principles.
2. Examination of claims for payment or credit and of supporting evidence for the purpose of determining whether the expenditure is properly authorized, has been or should be duly made and how it was or should be treated in the accounting system.
3. Expression of opinion derived from such examinations through reports and counselling to responsible individuals to assist them in performing their functions.

Audit Staff - A group under the Inspector General responsible for the independent audit of all Agency activities. The audit made is to determine that:

1. Controls and records are adequate to assure proper safeguarding, use of, and accounting for Agency assets; and
2. Verify compliance with applicable law, policies, regulations, and procedures.

The Audit Staff also has other related functions, e.g., auditing all Agency sponsored activities, the Credit Union, et cetera; preparing reports summarizing results of audits and including recommendations for corrective action, if any; following up recommendations; and reporting to the Director any activities which are uneconomical, inefficient or improper and recommending changes deemed necessary.

Certifying Officer - An individual designated in writing by the Director of Finance to ascertain the propriety and legality of disbursements of Agency funds. Wherever possible certification precedes final payment, e.g., any travel or operational advances must be certified before funds can be passed. See also "Auditor." In most cases the Certifying Officer performs an audit function himself, subject only to the eventual post audit by the Audit Staff.

Confidential Funds - That portion of the funds made available to the Agency which, under the CIA Act of 1949, may be expended and accounted for solely on the certificate of the Director because of their confidential, extraordinary, or emergency nature.

Glossary of Finance Terms - Cont'd

Expenditure - A charge incurred against an allotment, for goods and services received, or other assets acquired.

FAN (or FAN Number) - The acronym for "Financial Analysis Number." An eight digit number used to identify an allotment account (a project or other fiscal entity) for machine accounting purposes. The FAN facilitates the summarization of program and financial data, e.g., for use in a budget exercise.

Fiscal Annex - A supplement to a project outline or Administrative Plan setting forth funding arrangements, specific accounting controls, financial reporting requirements and write-off provisions. A Fiscal Annex is mandatory for subsidy projects involving less than \$100,000 per year and is optional for other projects where special fiscal authority and limitations need to be prescribed.

Fiscal Year - An arbitrary time period for fiscal purposes chosen because it fits cyclical revenue and expenditure (or appropriation) purposes best. In the Federal government the fiscal year is July 1 - June 30. Agency funds are normally appropriated for and must be obligated within a given fiscal year.

Funding - To provide money to someone. Covert funding is the covert passage of funds, e.g., by the Agency to an agent through a sterile bank account.

Manpower Ceiling (End of Year) - A tool of management control used in conjunction with dollar ceilings to limit the monetary and human resources available for specific programs.

Object Classification - A device for identifying goods and services by their nature, e.g., travel, salaries, supplies, equipment, as opposed to classification by purpose, e.g., foreign intelligence. Both classifications are required for budgeting purposes. No amount may be recorded as an obligation unless it is supported by appropriate documentary evidence.

Obligation - A valid commitment to pay government funds now or at some future time in return for goods or services furnished. An obligation reserves funds pending the receipt of the goods or services.

Glossary of Finance Terms - Cont'd

Program Budget - A budget which defines programs of work and describes the resources required to carry them out.

Proprietary - An organization or firm in which the Agency has invested or to which the Agency has furnished capital as the legal or beneficial owner of all or any part thereof.

Property Requisitioning Authority (PRA) - Authorization to acquire supplies and equipment up to an approved limitation. PRA is not an allotment of funds.

Reserve - Funds appropriated for reserve purposes for the current year or unobligated prior year funds designated for use in contingencies which can not be handled within the resources apportioned for regular programs. Withdrawals from the reserve must be approved by the Bureau of the Budget and appropriate Congressional Committees informed.

Subsidy - A contribution of funds and/or materiel to an organization or individual to further Agency objectives but over the use of which the Agency cannot exercise detailed control nor obtain documented accountings as required by Agency regulations.

Unliquidated Obligation - An obligation (See above) which still is outstanding - usually because the goods or services involved have not been received and payment therefore has not been made.

Vouchered Funds - Those Agency funds which can be accounted for and audited in conformance with the laws that apply to other Government agencies and with standard Government regulations and procedures, e.g., staff employee salaries at Headquarters.